joint ventures and subsidiaries by Navratna and Miniratna PSEs to 15% of the Networth in one project limited to Rs. 1000 crores in case of Navratna, Rs. 500 crores in the case of Miniratna I and Rs. 250 crores in the case of Miniratna II. It has also been decided to enhance the overall ceiling from 15% to 30% of the net worth for all projects put together.

Fake TDS certificates

† 855. SHRI ABU ASIM AZMI: Will the Minister of FINANCE be pleased to state:

(a) whether the Economic Offence Cell has detected embezzlement of crores of rupees by the Income Tax officials through fake Income Tax returns and fake TDS certificates in the Income Tax Department, Delhi;

(b) if so, the number of officials of Income Tax Department found involved in this racket;

(c) the amount found to be embezzled during the busting of the said racket;

(d) whether Government are considering to refund the above amount to the concerned tax payer, if not, the reason therefor; and

(e) the action Government propose to take against the accused officials?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Some cases of bogus claim of refunds by filing fictitious returns of income with fictitious TDS certificates have been detected in Delhi. However, the cases were detected by the Income Tax Department itself, which subsequently referred the matter to the Economic Offence Wing of Delhi Police.

(b) So far, one official of the Income Tax Department has been found to be involved in this racket.

(c) The total amount of the fraudulent refund claims detected so far works out to Rs. 3,15,87,648/-.

(d) In the cases so detected, refund has been claimed by filing return of income in the name of fictitious persons and on the basis of fictitious TDS certificates. Therefore, the question of refunding the money to concerned taxpayer does not arise.

---

† Original notice of the question was received in Hindi.

(e) The official involved in the bogus refund cases has been placed under suspension. In addition to criminal proceedings initiated by the Police, further action as per Central Civil Services (Classification, Central and Appeal) Rules shall be initiated against the official after receipt of report from Delhi Police.

Audit Norms for Urban Co-operative Banks

856. SHRI B.K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether many State Governments, including Karnataka, have undertaken to introduce audit norms stipulated by RBI for Urban Cooperative Banks including its audit rating model as applicable to other banks;

(b) if so, whether these States have signed a MoU with RBI; and

(c) if so, whether these measures will help in restoring the confidence of banking public in UCBs, a few of which had closed down shutters in the recent past?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Two State Governments *viz.* Andhra Pradesh and Gujarat have signed a Memorandum of Understanding (MoU) with Reserve Bank of India, undertaking to introduce Long Form Audit Report (LFAR) and modify audit rating models in alignment with the gradation system adopted by the Reserve Bank for all Urban Cooperative Banks (UCBs) and have statutory audit of UCBs with deposit of more than Rs. 25 crore through Chartered Accountants. The State Government of Karnataka has not yet signed the MoU with RBI.

(c) The initiatives taken by Reserve Bank are expected to restore the confidence of public in urban cooperative banks.

Popularity of Nepalese currency

857. SHRI TARIQ ANWAR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Nepalese currency is more popular in the cities touching Nepal border;

(b) if so, the reasons therefor; and